



entertainment
software
association

February 21, 2009

The Honorable Eileen Daily, Co-Chair
The Honorable Cameron Staples, Co-Chair
Joint Finance, Revenue and Bonding Committee
Room 3700, Legislative Office Building
Hartford, CT 06106

RE: Raised S.B. No. 933, An Act Concerning the Governor's Recommendations On Revenue

Dear Senator Daily, Representative Staples, and Members of the Committee:

On behalf of the Entertainment Software Association (ESA), I am writing you in support of the current tax credits available to video game development and production companies (Public Act No. 07-236). The ESA is the U.S. trade association representing companies that publish computer and video games for video game consoles, personal computers, and the Internet.

We certainly understand the effects the economic downturn has had on state budgets and know that monetary decisions are receiving increased scrutiny. However, we believe that industries such as ours can help states seeking to create and maintain sustainable, high-tech, and high-growth jobs. Due to the competitive need for talent in a continually evolving field, employees in the entertainment software industry are highly sought after. The average salary for a direct computer and video game industry employee currently stands at \$92,300. As computer and video game sales continue grow, the demand will continue to increase for this talent.

Additionally, the technology used in computer and video games provides considerable benefits to other sectors of the economy, adding to the prospects for growth within the industry. Both the military and medical schools are using video game technology to train soldiers and surgeons. Businesses in all industries are using computer and video games more and more to provide work force training to employees in a variety of ways – from how to deal with problematic sales prospects to how to repair equipment. As the average game player is now 35 years old, it is clear that the entertainment software industry is diverse, and provides both entertainment and education for players of all ages.

The marketplace for computer and video game companies is very competitive as well. Currently, fifteen states have video game tax incentives. Thirteen states are considering legislation in 2009 that would either create or increase tax incentives for computer and video games and digital media development and production.

We would like to continue to see Connecticut remain competitive with other states by keeping the current tax credit program for the entertainment industry intact. We are fortunate that the entertainment software industry has remained strong during these difficult times of economic uncertainty, and believe that states can encourage economic growth by providing attractive incentives for companies that are growing and providing significant value in technological innovation.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sally Jefferson', is written over a horizontal line.

Sally Jefferson
Vice President, State Government Affairs